

Message Text

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ORIGIN EB-08

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-10 ISO-00 SIG-03
GSA-02 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00
FRB-03 H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00
PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00
SP-02 SOE-02 OMB-01 DOE-15 NSCE-00 SSO-00 USIE-00
INRE-00 /132 R

DRAFTED BY EB/ISM:WCLENAHAN:PJP
APPROVED BY EB:JLKATZ
ARA/AND:MBARNEBEY
EB/ISM:RMOGDEN
EB/ICD:EAWENDT
EA/EP:AGEBER

-----085687 221641Z /45

O 221547Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY LA PAZ IMMEDIATE
AMEMBASSY JAKARTA PRIORITY
AMEMBASSY BANGKOK PRIORITY
AMEMBASSY KUALA LUMPUR PRIORITY
AMEMBASSY LAGOS PRIORITY
AMEMBASSY KINSHASA PRIORITY
AMEMBASSY CANBERRA PRIORITY
AMEMBASSY LONDON IMMEDIATE
AMEMBASSY TOKYO PRIORITY
AMEMBASSY BONN PRIORITY
AMEMBASSY PARIS PRIORITY
AMEMBASSY ROME PRIORITY
AMEMBASSY MOSCOW PRIORITY
AMEMBASSY OTTAWA PRIORITY
AMEMBASSY THE HAGUE PRIORITY

C O N F I D E N T I A L STATE 073565

LA PAZ FOR AMBASSADOR BOEKER
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E.O. 11652: GDS

TAGS: EMIN, ITC, GSA

SUBJECT: GSA TIN DISPOSALS AND COPPER ACQUISITION

REF: A) STATE 58800; B) LA PAZ 1965; C) LA PAZ 2134;
D) JAKARTA 3155

1. THE UDALL-DECONCINI BILL DOES NOT SPECIFY A TIME LIMIT FOR DISPOSALS OF EITHER TIN OR TUNGSTEN. (TUNGSTEN WAS NOT INCLUDED IN THE DRAFT BILL, BUT IS INCLUDED IN THE BILL AS SUBMITTED TO THE HOUSE AND THE SENATE). MOREOVER, THE BILL CONTAINS SPECIFIC LANGUAGE STIPULATING THAT THE TIMING AND METHOD OF DISPOSALS SHOULD BE FIXED WITH DUE REGARD TO AVOIDING DISRUPTION. ACCORDINGLY, WE DO NOT BELIEVE THE REQUIREMENT THAT THE PROCEEDS OF THE DISPOSAL OF THE FIRST 5,000 TONS OF TIN IN 1978 AND THE FIRST 10,000 TONS OF TIN IN 1979 BE PAID INTO THE TREASURY CONSTITUTES MANDATORY MINIMUM DISPOSAL LEVELS FOR THESE YEARS.

2. RE PARAGRAPH 9, REF. C, WHILE THE UDALL-DECONCINI BILL COULD BE CONSTRUED TO FAVOR TREASURY RECEIPTS AND COPPER ACQUISITIONS OVER THE INTERESTS OF TIN PRODUCERS, THE NON-DISRUPTION PROVISION OF THE BILL GIVES THE ADMINISTRATION CONSIDERABLE LATITUDE IN DEVELOPING A

DISPOSAL PROGRAM THAT WILL NOT DETRACT FROM OUR LONG TERM GOAL OF BALANCING PRODUCTION AND CONSUMPTION.

3. THE GSA ANNUAL MATERIALS PLAN AS SUBMITTED TO SENATOR
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HART'S SUBCOMMITTEE CALLS FOR THE DISPOSAL OF 25,000 LT OF TIN THROUGH FY 1980. WE UNDERSTAND THAT THE GSA TARGET AMOUNT WILL BE SUBSUMED WITHIN THE 45,000 LT CONTEMPLATED IN THE UDALL-DECONCINI BILL.

4. ASSUMING PASSAGE OF THE UDALL-DECONCINI BILL, THE AMOUNT OF TIN AND TUNGSTEN WHICH WOULD BE SOLD DURING THE BALANCE OF FY 1978 WOULD, WE EXPECT, DEPEND ON WHEN THE AUTHORIZATION BECOMES EFFECTIVE AND THE ABILITY OF THE MARKET TO ABSORB THESE COMMODITIES WITHOUT DISRUPTION.

5. AS WAS INDICATED IN DISCUSSIONS WITH AMBASSADOR BOEKER IN THE DEPARTMENT, WE SEE CONSIDERABLE MERIT IN ESTABLISHING A MEDIUM TERM DISPOSAL PROGRAM BASED ON MONTHLY OR ANNUAL TARGETS FOR DISPOSALS, TO BE IMPLEMENTED IN A FLEXIBLE MANNER THAT WILL HELP TO STABILIZE TIN PRICE AT REASONABLE LEVELS WITHOUT DISRUPTING THE MARKET AND DISCOURAGING INCREASED TIN PRODUCTION. WE ARE NOW WORKING ON ALTERNATIVE OPTIONS FOR SUCH A PROGRAM.

6. WE ARE PREPARED TO ENTER INTO CONSULTATIONS WITH THE INTERNATIONAL TIN COUNCIL AT AN EARLY DATE AND WILL

AT THAT TIME PRESENT A MEDIUM TERM DISPOSAL PROGRAM
WHICH IS RESPONSIVE TO MARKET DEVELOPMENTS. WHILE IT IS
NATURAL FOR PRODUCERS TO BE APPREHENSIVE ABOUT THE EFFECTS
OF THE DISPOSAL PROGRAM, WE NOTE MUCH MORE BALANCED
COMMENTS BY SOUTHEAST ASIAN PRODUCERS AS COMPARED TO THE
IRRATIONAL, EMOTIONAL OUTBURSTS BY THE BOLIVIANS. EMBASSY
LA PAZ SHOULD AGAIN MAKE THE POINT WITH THE BOLIVIANS
THAT WE ARE PREPARED TO DISCUSS A DISPOSAL PROGRAM THAT
WILL AVOID UNDUE DISRUPTION OF THE INTERNATIONAL TIN
MARKET, THAT WILL IMPROVE FUNCTIONING OF THAT MARKET AND
EXPAND THE INTERNATIONAL TIN INDUSTRY OVER THE LONG TERM.
YOU SHOULD AT SAME TIME MAKE CLEAR THAT WE CONSIDER THEIR
INTEMPERATE ATTACKS TO BE UNFOUNDED AND NOT CONDUCTIVE TO
THE CONSULTATIVE APPROACH WE SEEK TO PURSUE. VANCE
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ORIGIN ARA-04

INFO OCT-01 ISO-00 /005 R

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DRAFTED BY: ARA:AND:ASCFULLER

APPROVED BY: ARA:AND:ASCFULLER

-----129163 251106Z /11

R 250805Z MAR 78

FM SECSTATE WASHDC

INFO RUESLM/AMEMBASSY LIMA 4554

AMEMBASSY SANTIAGO

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FOLLOWING TELEGRAM FROM SECSTATE WASHDC DATED MARCH 22,
1978 SENT LA PAZ, JAKARTA, BANGKOK, KUALA LUMPUR, LAGOS,
KINSHASA, CANBERRA, LONDON, TOKYO, BONN, PARIS, ROME,
MOSCOW, OTTAWA, THE HAGUE IS REPEATED TO YOU: QUOTE

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LA PAZ FOR AMBASSADOR BOEKER

E.O. 11652: GDS

TAGS: EMIN, ITC, GSA

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, ACQUISITION, WASTE DISPOSAL, TIN, LEGISLATIVE BILLS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE073565
Document Source: CORE
Document Unique ID: 00
Drafter: WCLENAHAN:PJP
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780126-0596
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780336/aaaabemh.tel
Line Count: 253
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d5571fbf-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 58800, 78 LA PAZ 1965, 78 LA PAZ 2134
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3236425
Secure: OPEN
Status: NATIVE
Subject: GSA TIN DISPOSALS AND COPPER ACQUISITION
TAGS: EMIN, ITC, GSA
To: LA PAZ JAKARTA MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d5571fbf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014